

ORIGINAL

NEW APPLICATION



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Arizona Corporation Commission  
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FENNEMORE CRAIG  
A Professional Corporation  
Jay L. Shapiro (No. 014650)  
Todd C. Wiley (No. 015358)  
3003 North Central Avenue  
Suite 2600  
Phoenix, Arizona 85012  
Telephone (602) 916-5000  
Attorneys for Applicant Pine Water Co., Inc.

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF PINE WATER CO., INC., AN  
ARIZONA CORPORATION, FOR  
AUTHORITY (1) TO ISSUE EVIDENCE  
OF INDEBTEDNESS IN AN AMOUNT  
NOT TO EXCEED \$2,690,000.00 IN  
CONNECTION WITH (A) THE  
CONSTRUCTION OF WATER SYSTEM  
INFRASTRUCTURE IMPROVEMENTS  
AND (B) REPAYMENT AND  
CONSOLIDATION OF EXISTING DEBT;  
AND (2) TO ENCUMBER ITS REAL  
PROPERTY AND PLANT AS SECURITY  
FOR SUCH INDEBTEDNESS.

W-03512A-09-0110

DOCKET NO. W-03512A-09-\_\_\_\_\_

**APPLICATION (FINANCING)**

Pursuant to A.R.S. §§ 40-285, 40-301 and 40-302, Pine Water Co., Inc. ("Pine Water" or the "Company"), an Arizona public service corporation, hereby applies for authority from the Arizona Corporation Commission ("Commission") to (1) issue evidence of indebtedness in an amount not to exceed \$2,690,000.00 on the terms and conditions set forth below, and (2) encumber its real property and utility plant as security for such indebtedness. This debt will be incurred for the purpose of (a) acquiring and connecting an existing water source to existing water system infrastructure, and (b) development of deep aquifer wells to increase the water supply available to serve the Company's customers.

1 In support of this application, Pine Water states as follows:

2 **A. General Background.**

3 1. Pine Water is a public service corporation providing water service to  
4 approximately 2100 customers in Northern Gila County, Arizona. Pine Water's current  
5 rates and charges were authorized in Decision No. 67166 (August 10, 2004).

6 2. Pine Water's business office is located at 1010 S. Stover Rd., Payson,  
7 Arizona 85541. Its telephone number is 928-447-8130, and its telecopier number is 928-  
8 472-8747. The Company's primary management contact is Robert T. Hardcastle, the  
9 Company's President. Mr. Hardcastle is also responsible for overseeing and directing the  
10 conduct of this Application. His telephone and telecopier numbers are 661-633-7526 and  
11 800-748-6981, respectively. His email address is rth@brookeutilities.com. All discovery,  
12 data requests and other requests for information concerning this Application should be  
13 directed to Mr. Hardcastle, with a copy to counsel for the Company in this matter, Jay L.  
14 Shapiro (jshapiro@fclaw.com).

15 3. In Decision No. 67166, the Arizona Corporation Commission also ordered  
16 Pine Water Company to file a rate case by June 1, 2008 using a 2007 test year. On  
17 February 27, 2008, Pine Water filed a Request for Extension of Deadline to File Rate  
18 Case, which request was granted in Decision No. 70452 (August 6, 2008), extending the  
19 deadline to file a rate application based on a 2008 test year until June 1, 2009. That  
20 deadline was further extended on or around March 10, 2009 by one year, although Pine  
21 Water was required to file a rate review within 60 days.

22 4. Financial statements for the twelve-month period ending December 31, 2008,  
23 are attached at **Exhibit 1**.

24 **B. Purposes of Financial Transactions.**

25 5. The primary purpose of the long-term debt financing contemplated herein is  
26 to explore for and hopefully obtain supplemental water supplies from deep R-aquifers in

1 Pine and Strawberry to be connected to Pine Water's water utility system. The total  
2 estimated cost of the additional plant and improvements is approximately \$2,690,000.00.  
3 A detailed breakdown of the estimated cost of the water system improvements is attached  
4 as **Exhibit 2**.

5 **C. Terms and Conditions of Financial Transactions.**

6 6. The Company has applied to WIFA for financing, in large part, because  
7 WIFA expects to receive monies from the recent federal stimulus package. Copies of the  
8 Company's two WIFA applications are attached hereto as **Exhibit 3**. However, the  
9 specific, actual terms of the WIFA financing are not known at this time. Pine Water will  
10 supplement if and when such information becomes available.

11 7. Pine Water expects that its repayment obligation to WIFA will be secured by  
12 the grant of a security interest in some or all of its real property and its water plant and  
13 system, which property and facilities are yet to be identified.

14 **D. Effects of Financial Transactions.**

15 8. Pine Water's proforma balance sheet for the period ending December 31,  
16 2008 is attached at **Exhibit 4**. The pro forma balance sheet reflects the impact of the  
17 financing transactions that are the subject of this Application. The pro forma income  
18 statements will be filed as a late filed exhibit to this Application. The loan proceeds will  
19 be issued for lawful purposes, and the execution of the loan agreement with WIFA and the  
20 grant of a security interest in Pine Water's real property, plant and system, and the  
21 undertaking of the obligations set forth therein are within Pine Water's corporate powers.  
22 A Corporate Resolution authorizing the contemplated transaction will be filed as a late  
23 filed exhibit to this Application.

24 9. The financial transactions contemplated herein are compatible with sound  
25 financial practices. Pine Water has been urged by the Commissions Chairman to seek  
26 WIFA financing to help address long-standing water supply limitations in its service

1 territory. Pine Water agrees that the pursuit of such financing is warranted.

2 10. The approvals sought herein are compatible with the public interest and with  
3 the proper performance of Pine Water's duties as a public service corporation. The  
4 proceeds of the financing will be utilized exclusively to provide supplemental water  
5 supplies from deep R-aquifers in Pine and Strawberry to be connected to Pine Water's  
6 water utility system. No portion of the proceeds will be used to pay operating expenses.  
7 The approvals sought herein are necessary to ensure the Company's ability to continue to  
8 provide safe and reliable water utility service in compliance with all applicable law and  
9 regulation, including the rules and regulations of ADEQ.

10 11. The financing contemplated herein will not impair the Company's ability to  
11 perform its duties as a public service corporation providing water utility service.

12 12. Pine Water is in the process of providing notice of this application by  
13 publishing notice, in the form provided by the Commission, in a newspaper of general  
14 circulation in the area in which Pine Water provides service. Proof of publication and a  
15 true copy of the notice as it appeared in the newspaper will be filed with the Commission.

16 Based on the foregoing, Pine Water respectfully requests the following:

17 A. That the Commission consider this application on an expedited basis,  
18 including the scheduling of a hearing, if necessary, on this matter as soon as practicable;

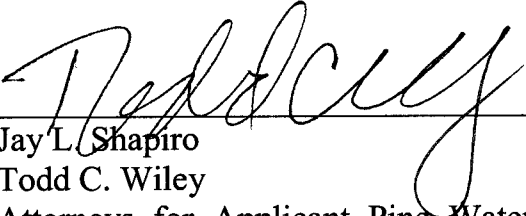
19 B. That the Commission enter an order approving this Application and  
20 authorizing Pine Water, to incur indebtedness in an amount not to exceed \$2,690,000.00  
21 and to encumber its real property and utility plant and system to secure such indebtedness  
22 for the purposes described hereinabove; and

23 C. That the Commission authorize Pine Water to take such other and further  
24 action as may be necessary to effectuate the purposes of this Application, as may be  
25 appropriate under the circumstances herein.

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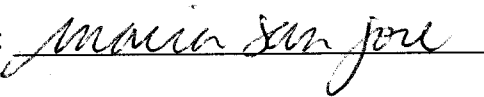
RESPECTFULLY SUBMITTED this 12th day of March, 2009.

FENNEMORE CRAIG, P.C.

By:   
Jay L. Shapiro  
Todd C. Wiley  
Attorneys for Applicant Pine Water Co.,  
Inc.

ORIGINAL and 15 copies delivered this  
12<sup>th</sup> day of March, 2009 to:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

By: 

2173678.2

**Pine Water Co., Inc.**

# **Exhibit 1**

## **Financial Statement**

**Pine Water Co., Inc.**  
**Balance Sheet**  
**January 31, 2009**

01/31/09

12/31/08

**ASSETS**

**WATER UTILITY PLANT**

Utility Plant in Service

\$2,164,346

\$2,164,346

Less: Accum Depreciation & Amortization

(1,541,659)

(1,537,255)

**WATER UTILITY PLANT, NET**

622,687

627,091

**OTHER UTILITY ASSETS**

**CURRENT ASSETS**

Receivables

50,000

50,000

Prepaid and Other

17,818

21,237

**TOTAL CURRENT ASSETS**

67,818

71,237

**TOTAL ASSETS**

\$690,505

\$698,328

**LIABILITIES AND EQUITY**

**EQUITY**

Common Stock

321,823

321,823

Additional Paid in Capital

584,935

584,935

Retained Earnings (Accumulated Deficit)

(1,001,838)

(1,037,637)

Current Year Net Income (Loss)

14,937

35,798

**TOTAL EQUITY**

(80,144)

(95,080)

**CURRENT LIABILITIES**

Affiliate Payables

811,939

831,357

**TOTAL CURRENT LIABILITIES**

811,939

831,357

**DEFERRED CREDITS**

Deferred State Income Tax

(369,000)

(369,000)

Contributions in Aid of Construction (CIAC)

970,380

971,696

A/A Contribution in Aid of Construction

(642,671)

(640,644)

**TOTAL DEFERRED CREDITS**

(41,290)

(37,949)

**LONG TERM DEBT**

**TOTAL LIABILITIES & EQUITY**

\$690,505

\$698,328

**Pine Water Co., Inc.**  
**Income Statement by Function**  
**January 31, 2009**

	LAST YEAR	LAST YTD	CURRENT YTD	JAN 2009	DEC 2008	NOV 2008	OCT 2008
<b>OPERATING REVENUES</b>							
Metered Sales Residential	\$723,340	\$55,601	\$53,112	\$53,112	\$49,888	\$95,868	\$56,557
Metered Sales Commercial	10,793	1,550	853	853	714	449	703
Establishment Charge	3,570	120	175	175	150	310	695
Late Fees	2,516	310	319	319	240	346	275
Other Revenues	(142)	0	15	15	(1)	0	(14)
<b>TOTAL OPERATING REVENUES</b>	<b>740,077</b>	<b>57,580</b>	<b>54,474</b>	<b>54,474</b>	<b>50,990</b>	<b>96,973</b>	<b>58,217</b>
<b>OPERATING EXPENSES</b>							
<b>Source of Supply</b>							
Salary and Wages	2,378	244	0	0	176	106	45
Payroll Taxes	127	13	0	0	14	8	3
Benefits	19	0	0	0	3	1	3
Utilities	35,063	3,629	0	0	1,941	2,094	2,712
Communications	5,344	194	563	563	400	608	479
Repairs and Maintenance	5,766	3,000	715	715	991	0	0
Professional Fees	1,704	760	0	0	0	906	0
Regulatory Commission	21,802	0	0	0	0	21,802	0
Utility Regulatory Costs	60	0	0	0	0	0	0
Purchased Water	13,341	670	1,107	1,107	1,465	1,492	1,068
CAP Water Contract Charges	16,281	0	121	121	16,281	0	0
<b>Total Source of Supply</b>	<b>101,885</b>	<b>8,510</b>	<b>2,506</b>	<b>2,506</b>	<b>21,270</b>	<b>27,017</b>	<b>4,309</b>
<b>Water Treatment</b>							
Salary and Wages	633	0	61	61	0	65	52
Payroll Taxes	49	0	6	6	0	5	4
Benefits	9	0	1	1	0	2	1
Building Occupancy	(11,098)	0	0	0	3,298	(14,396)	0
Utility Regulatory Costs	8,120	120	105	105	105	556	5,528
<b>Total Water Treatment</b>	<b>(2,287)</b>	<b>120</b>	<b>173</b>	<b>173</b>	<b>3,403</b>	<b>(13,768)</b>	<b>5,584</b>
<b>Transmission &amp; Distribution</b>							
Salary and Wages	36,100	1,098	3,320	3,320	4,295	2,390	2,959
Payroll Taxes	2,576	36	319	319	346	184	212
Benefits	400	0	48	48	43	42	31
Building Occupancy	36	0	0	0	0	0	0
Utilities	20	0	0	0	0	0	0
Communications	2,147	0	305	305	105	0	105
Repairs and Maintenance	34,706	396	689	689	1,034	0	11,759
Equipment Rentals	3,683	0	0	0	3,431	0	0
Repair Parts	502	0	0	0	123	0	0
Small Tools and Equipment	239	95	0	0	0	0	0
Regulatory Commission	3,868	313	323	323	323	323	323
Utility Regulatory Costs	2,992	0	1,050	1,050	993	747	454
<b>Total Transmission &amp; Distribution</b>	<b>87,268</b>	<b>1,938</b>	<b>6,055</b>	<b>6,055</b>	<b>10,694</b>	<b>3,585</b>	<b>15,843</b>
<b>Customer Accounts</b>							
Salary and Wages	9,401	958	137	137	259	681	1,007
Payroll Taxes	809	73	12	12	23	57	76
Benefits	103	0	1	1	6	11	14
Professional Fees	13,116	4,246	244	244	325	238	513
<b>Total Customer Accounts</b>	<b>23,429</b>	<b>5,277</b>	<b>393</b>	<b>393</b>	<b>612</b>	<b>986</b>	<b>1,609</b>
<b>General &amp; Administrative</b>							
Salary and Wages	37,781	659	0	0	151	0	92
Payroll Taxes	3,100	6	2	2	11	0	7
Benefits	6,839	708	350	350	375	440	524
Building Occupancy	30,513	3,393	3,298	3,298	0	0	0
Utilities	1,674	77	151	151	181	185	207
Communications	1,098	0	262	262	8	8	8
Travel, Meals and Lodging	1,112	0	0	0	0	0	0
Supplies	940	0	0	0	0	0	0
Repairs and Maintenance	84	0	0	0	0	0	0
Small Tools and Equipment	61	0	0	0	0	0	0
Professional Fees	115,908	(47,054)	1,138	1,138	788	11,468	26,191
Regulatory Commission	895	0	0	0	45	0	0
Advertising and Promotion	12,562	0	0	0	0	0	24,114
Dues and Subscriptions	53	0	0	0	0	0	0
Licenses and Permits	2,075	0	0	0	0	0	0
Fines and Penalties	0	0	21	21	0	0	0
Bad Debts	8	5	0	0	0	0	0
Utility Regulatory Costs	425	0	0	0	0	96	40
Other General Business Expense	6,817	3,538	0	0	0	0	0
Property and Casualty Insurance	875	0	0	0	875	0	0
Overhead Allocation	237,556	11,435	22,665	22,665	46,507	23,541	6,879
<b>Total General &amp; Administrative</b>	<b>460,377</b>	<b>(27,233)</b>	<b>27,887</b>	<b>27,887</b>	<b>48,940</b>	<b>35,738</b>	<b>58,062</b>



Pine Water Co., Inc.  
Income Statement by Function  
January 31, 2009

	LAST YEAR	LAST YTD	CURRENT YTD	JAN 2009	DEC 2008	NOV 2008	OCT 2008
OPERATING EXPENSES TOTAL	\$670,672	(\$11,388)	\$37,014	\$37,014	\$84,920	\$53,658	\$85,407
Depreciation & Amortization expense	27,850	2,354	2,378	2,378	2,734	(4,924)	(4,924)
INCOME (LOSS) FROM OPERATION	41,556	66,614	15,082	15,082	(36,663)	48,239	(22,267)
<b>OTHER INCOME (EXPENSE)</b>							
Interest Expense	(4,067)	(95)	(146)	(146)	0	0	0
Other	(1,691)	0	0	0	0	0	0
TOTAL OTHER INCOME (EXPENSE)	(5,757)	(95)	(146)	(146)	0	0	0
NET INCOME (LOSS)	\$35,798	\$66,519	\$14,937	\$14,937	(\$36,663)	\$48,239	(\$22,267)

**Pine Water Co., Inc.**

# **Exhibit 2**

**Estimated Cost of the Water  
System Improvements**

Pine Water Co., Inc.

***WIFA Capital Improvements Budget***

12-Mar-09

Improvement Description:	DW-071-2009	DW-072-2009	<u>Total Cost</u>
	<u>Cost</u>	<u>Cost</u>	
Engineering (partially complete)	\$15,000	\$45,000	\$60,000
Legal	\$25,000	\$100,000	\$125,000
Property Acquisition	\$70,000	\$55,000	\$125,000
Well drilling		\$830,000	\$830,000
Well development		\$400,000	\$400,000
Storage		\$120,000	\$120,000
On/off-site improvements	\$780,000	\$250,000	\$1,030,000
<i>Total</i>	<u>\$890,000</u>	<u>\$1,800,000</u>	<u>\$2,690,000</u>

**Pine Water Co., Inc.**

# **Exhibit 3**

**WIFA Applications (two)**

**DRINKING WATER APPLICATION**  
**Water Infrastructure Finance Authority of Arizona (WIFA)**  
**Project Financial Assistance Priority List Application**

**SECTION 1: APPLICATION INFORMATION**APPLICATION NUMBER: DW-072-2009 |  Print

- 1.1 Applicant: Pine Water Co., Inc. Job Title: K2 Deep Well Project
- 1.2 Contact Names: First Robert Middle Initial: T Last: Hardcastle
- 1.3 Address: P.O. Box 82218 City: Bakersfield State: AZ Zip: 93380
- 1.4 Phone: (661) 633-7526 Fax: (781) 823-3070 E-Mail: RTH@jaco.com
- 1.5 County in Which Project is Located: Gila
- 1.6 Number of Connections to System: 2100 Population Served by the System: 6300
- 1.7 Average Monthly Fee (Base + Use): \$35.00
- 1.8 Existing Debt (principal only) Payable by System Users: \$0.00
- 1.9 Median Household Income: \$40,000.00
- 1.10 ADEQ System Identification Number (PWS #): AZ0404034
- 1.11 Are you ACC Regulated? ☒ Yes ☐ No
- 1.12 Has this project received prior year WIFA funding?
- ☒ No
- ☐ Yes, request is for a multi-year construction project that received assistance in a previous funding cycle
- ☐ Yes, request is to construct a project that received TA funds in a previous funding cycle
- ☐ Yes, request is for additional financial assistance to offset actual costs of justified overruns
- 1.13 Is your company registered with the E-Verify Program? ☐ Yes ☒ No  
*(You will be required to provide proof of participation prior to the execution of a loan or grant agreement.)*

**SECTION 2: PROPOSED DRINKING WATER FINANCIAL ASSISTANCE PROJECT**

- 2.1 Project Title/Name: K2 Deep Well Project
- 2.2 Type of loan required during this funding cycle? ☒ Design \$100,000.00 and/or ☒ Construction \$1,700,000.00

2.3 Briefly summarize below the problem (Mail or upload any supporting documentation)

Pine Water Co. suffers from decreased community water supplies during peak demand periods. This project proposes to develop new water sources from deep local aquifers and connect them to existing water system infrastructure.

2.4 Briefly summarize below the Solution

Develop two deep water wells in Strawberry, AZ that will interconnect water systems in Pine and Strawberry, AZ for the benefit of water customers in both communities.

2.5 Project Purpose: (Select only one)

- Assist Non-Compliant Systems to Achieve Compliance
- Assist Compliant Systems to Meet Future Reqmnts
- Assist Compliant Systems to Maintain Compliance
- Other Assistance Not Compliance Related

## SECTION 3: EXISTING CONDITIONS AND PROJECT BENEFITS

## 3.1 Select Type(s) of Needs to be Funded

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Planning and Design Only      | <input type="checkbox"/> Treatment-Bacteriological                | <input type="checkbox"/> Treatment-Surface Water |
| <input type="checkbox"/> Treatment-Nitrate             | <input type="checkbox"/> Treatment-Arsenic                        | <input type="checkbox"/> Treatment-Radionuclides |
| <input type="checkbox"/> Treatment-Organic Chemical(s) | <input type="checkbox"/> Treatment-Primary Standard [Metals(s)]   | <input type="checkbox"/> Treatment-DBP           |
| <input type="checkbox"/> Treatment-Other               | <input checked="" type="checkbox"/> Transmission and Distribution | <input checked="" type="checkbox"/> Source       |
| <input checked="" type="checkbox"/> Storage            | <input type="checkbox"/> Purchase of System(s)                    | <input type="checkbox"/> Restructuring           |
| <input checked="" type="checkbox"/> Land Acquisition   |   |  |

## 3.2 Select Expected Project Benefit(s)

- ☐ Compliance - Existing Requirements   
 ☐ Compliance - New Requirements   
 ☒ Expand Service  
☒ Reduce Public Health Risks

## 3.3 Water Quality Improvement

- ☐ Proposed project addresses deficiencies identified by ADEQ   
 ☐ Submitted a complete capacity development plan to ADEQ  
☐ Proposed project includes installing meters to monitor water use

## 3.4 Consolidation and Regionalization

- ☒ Consolidate physical facilities of existing multiple facilities   
 ☐ Extending service to existing areas currently served by another facility  
☐ Consolidate the operations of existing multiple facilities   
 ☐ Consolidate the ownership of existing multiple facilities

## 3.5 System Compliance \*must mail or upload supporting documents

- ☐ Notice of violations and/or consent orders from regulatory agency \*  
☒ In compliance

## SECTION 4: READINESS TO PROCEED INDICATORS

4.1 Debt Authorization (For more information, see WIFA Debt Authorization Guidance Document)

- ☐ Authorized (mail or upload copy of official governing body debt authorization resolution or election results)  
☒ Date of Election or Authorization Unknown  
☐ Scheduled  
 If scheduled, enter anticipated election or authorization date: \_\_\_\_\_ [mm/dd/yyyy]

## 4.2 Project Design (Select only one)

- ☐ Completed   
☐ Engineer Selected   
☐ Date of Completion Unknown   
☒ Scheduled for Completion  
 Enter anticipated completion date: 12/31/2009 [mm/dd/yyyy]

## 4.3 Applicable Plan and Specification Approvals (Select only one)

- ☐ Obtained (mail or upload approval notification)  
☒ Date of Approval Unknown  
☐ Not Applicable (use textbox below to explain)  
☐ Scheduled to Obtain Permits  
 If scheduled, enter anticipated permit(s) date: \_\_\_\_\_ [mm/dd/yyyy]  
 If not applicable, then explain: \_\_\_\_\_

## 4.4 Project Bids (Select only one)

- ☒ Solicited Project for Bidding   
☐ Date of Solicit Unknown   
☐ Scheduled to Solicit Bid(s)  
 If scheduled, enter anticipated bid award date: \_\_\_\_\_ [mm/dd/yyyy]

SECTION 5: REQUESTED AMOUNT AND CERTIFICATION/APPROVAL

5.1 Estimated Date WIFA Funding Required: 9/1/2009 [mm/dd/yyyy]

5.2 Estimated Financial Assistance Costs & Funding Source (*Soft costs*)

Funding Source

Project Costs

Amount Funded Locally:

\$0.00

Amount Requested from WIFA:

\$1,600,000.00

Other Source: Internal already incurred

\$200,000.00

Total Cost:

\$1,800,000.00

5.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.

First Name

Last Name

Title

Robert

Mardcastle

President

Authorized Signature: 

Date: President

## Addendum to PPL Application American Recovery and Reinvestment Act (ARRA)

Community Name: Pine Water Co., Inc.  
 Project Contact: Robert Hardcastle Phone Number: (661) 633-7526 Date: 2/26/2009  
 Project Title: K2 Deep Well Project  
 Project ID: DW-072-2009 Email: RTH@jaco.com

Should this Application be considered for American Recovery and Reinvestment Act funds? ☐ Yes ☒ No . If Yes, complete the following questions below. If you have selected 'No', skip to the bottom of this addendum and select submit.

As stated in the cover letter, the purpose of the Act is to provide funds that will stimulate job creation through swift initiation of infrastructure projects. The citation below requires WIFA to provide preference to those purposes.

### SECTION 1: PREFERENCE FOR QUICK START

ARRA Sec. 1602. In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit.

- 1.1 As of February 17, 2009, when will your project be prepared to start construction?  
☐ Already Stated ☐ Within 60 days ☒ Within 120 days ☐ Within 180 days ☐ Within 365 days

To enter into a loan agreement, organizations must have debt authorization. If you are not sure what this requires for your organization, refer to WIFA's documents "WIFA Debt Authorization Guidance Document" and "Sample Debt Authorization Resolution."

- 1.2 Do you currently have debt authorization? ☐ Yes ☒ No . If no, when will do you plan on receiving debt authorization? Prior to: ☐ March, 3 2009 ☐ March 17, 2009 ☐ April 14, 2009 ☒ May 19, 2009 ☐ June 16, 2009 ☐ Other
- 1.3 After the start of construction, when will construction be completed and/or the final loan disbursement be requested from WIFA?  
☐ Within 6 months ☒ Within 1 year ☐ Within 2 years ☐ Within 3 years

### SECTION 2: USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS

ARRA Sec. 1605. Use of American Iron, Steel, and Manufactured Goods. (a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. (b) Subsection (a) shall not apply in any case or category of cases in which the head of the Federal department or agency involved finds that--

- applying subsection (a) would be inconsistent with the public interest;
- iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.
- If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (a) based on a finding under subsection (b), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.
- This section shall be applied in a manner consistent with United States obligations under international agreements.

- 2.1 Are you willing to include this "Use of American Iron, Steel, and Manufactured Goods" requirement in your plans and specification documents and provide supporting documentation that you have complied with this requirement? ☒ Yes ☐ No  
 If No, please provide a brief explanation below:

- 2.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No. If No, would you be willing to re-bid? ☒ Yes  
 No. If you had to go back out and re-bid, please adjust you answer in Section 1, if necessary

### SECTION 3: WAGE RATE REQUIREMENT

Sec. 1606. Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and



mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

- 3.1 Are you willing to include this "Wage Rate Requirement" in your plans and specification documents and provide supporting documentation that you have complied with this requirement? ☒ Yes ☐ No  
If No, please provide a brief explanation below:

- 3.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No If No, would you be willing to re-bid? ☒ Yes ☐ No If you had to go back out and re-bid, please adjust your answer in Section 1, if necessary.

#### SECTION 4: POTENTIAL PROJECT DELAYS

- 4.1 To your knowledge, are there any issues such as NEPA compliance, SHPO compliance, Permit requirements, etc, that could possibly delay your project? ☐ Yes ☒ No  
If yes, please explain briefly below:  
County building permit process; property acquisition.

#### SECTION 5: REPORTING REQUIREMENTS

- 5.1 Each Calendar quarter during construction, you will be required to provide a report outlining at a minimum the following information:

- Completion status of the project
- Estimated number of jobs created each quarter
- Estimated number of jobs retained since the last quarter

Will you be capable of providing this type of reporting? ☒ Yes ☐ No

- 5.2 Please estimate the total number of jobs 0 that will be created or retained if this project receives ARRA funding and provide a brief explanation below:  
This project would largely be constructed through contract services and should require no additional operational people to be employed to operate or manage the improvements.

#### SECTION 6: GREEN, EFFICIENT, INNOVATIVE PROJECTS

- 6.1 Does your project address any of the following: green infrastructure, water or energy efficiency improvements or other environmentally innovative activities? ☒ Yes ☐ No

##### 6.2 Sustainability Infrastructure Practices

###### A. Water Re-Use & Conservation - Project/System

The use of improved technologies and practices to deliver equal or better services with less water.

- ☐ project will generate or utilize reclaimed water for direct re-use  
☒ project will correct water loss issues  
☐ project will enhance water conservation program(s)

###### B. Energy Use & Conservation (Efficiency)

Includes capital projects that reduce the energy consumption of eligible water quality projects or produce clean energy used by a treatment works

- ☒ project will significantly improve system efficiency  
☐ project will employ significant alternative energy sources and/or co-generation efforts  
☐ project will include an Energy Audit

###### C. Green Practices (Green Infrastructure)

Green Infrastructure includes a wide array of practices at multiple scales that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater.

Percentage of  
Project

0

30

0

50

0

0

☐ project will address stormwater through green infrastructure practices

**D. Environmentally Innovative Projects**

Projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal at the least life-cycle costs, subject to environmental review results. Includes approaches to incorporate green infrastructure into drinking water, stormwater and wastewater utility infrastructure and management.

☐ project utilizes solid waste reduction alternatives

☐ project meets EPA "Green Building" practices

☐ other:

**6.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.**

First Name

Robert

Last Name

Hardcastle

Title

President

Authorized Signature:

Date:

2/26/09

This Application Addendum must be printed, signed and returned to WIFA within 5 days of electronic submittal

## Bob Hardcastle

**From:** eApps@azwifa.gov  
**Sent:** Thursday, February 26, 2009 10:37 AM  
**To:** jbernreuter@azwifa.gov  
**Cc:** Bob Hardcastle; tcorcutt@azwifa.gov  
**Subject:** eApps.azwifa.gov - Environmental Review Checklist

### Environmental Review Checklist

Community Name: Pine Water Co., Inc.

Project Contact: Robert Hardcastle      Phone Number: (661) 633-7526      Date: 2/26/2009

Project Title: K2 Deep Well Project

Project ID: DW-072-2009

Please fill out the following checklist to the best of your ability. The information below will aid in determining the necessary environmental review requirements for the proposed project.

1.    ☒ Yes ☐ No ☐ NA    The project is directed towards rehabilitation of existing facilities, functional replacement of equipment, or the construction of new ancillary facilities adjacent or appurtenant to existing facilities which do not affect the degree of treatment or capacity of the existing facility.
2.    ☐ Yes ☒ No ☐ NA    The project is for minor upgrading or minor expansion (*minor - less than 30%*) of existing treatment works, collection or distribution system.
3.    ☐ Yes ☐ No ☒ NA    The project is in an unsewered community where on-site technologies are proposed. (*Clean Water Projects only*)
4.    ☐ Yes ☐ No ☒ NA    The project will create a new, or relocate an existing, discharge to surface or ground waters.
5.    ☐ Yes ☐ No ☒ NA    The project will result in substantial increases in the volume of discharge or the loading of pollutants from an existing source or from new facilities to receiving waters.
6.    ☒ Yes ☐ No ☐ NA    The project is known or expected to have a significant effect on the quality of the human environment, either individually, cumulatively over time, or in conjunction with other federal, state, local or private actions.
7.    ☐ Yes ☒ No ☐ NA    The project is known or expected to directly or indirectly affect cultural resources, habitat of endangered or threatened species, environmentally important natural resource areas such as floodplains, wetlands, important farmlands and aquifer recharge zones: or other resource areas.
8.    ☐ Yes ☒ No ☐ NA    The project is known or expected to cause significant public controversy.



**DRINKING WATER APPLICATION**  
**Water Infrastructure Finance Authority of Arizona (WIFA)**  
**Project Financial Assistance Priority List Application**

**SECTION 1: APPLICATION INFORMATION**APPLICATION NUMBER: **DW-071-2009**  **Print**

- 1.1 Applicant: Pine Water Co., Inc. Job Title: Water Source Development and Connection I
- 1.2 Contact Names: First Robert Middle Initial: T Last: Hardcastle
- 1.3 Address: P.O. Box 82218 City: Bakersfield State: CA Zip: 93380
- 1.4 Phone: (661) 633-7526 Fax: (781) 823-3070 E-Mail: RTH@jaco.com
- 1.5 County in Which Project is Located: Gila
- 1.6 Number of Connections to System: 2100 Population Served by the System: 6300
- 1.7 Average Monthly Fee (Base + Use): \$35.00
- 1.8 Existing Debt (principal only) Payable by System Users: \$0.00
- 1.9 Median Household Income: \$40,000.00
- 1.10 ADEQ System Identification Number (PWS #): AZ0404034
- 1.11 Are you ACC Regulated? ☒ Yes ☐ No
- 1.12 Has this project received prior year WIFA funding?
- ☒ No
- ☐ Yes, request is for a multi-year construction project that received assistance in a previous funding cycle
- ☐ Yes, request is to construct a project that received TA funds in a previous funding cycle
- ☐ Yes, request is for additional financial assistance to offset actual costs of justified overruns
- 1.13 Is your company registered with the E-Verify Program? ☐ Yes ☒ No  
*(You will be required to provide proof of participation prior to the execution of a loan or grant agreement.)*

**SECTION 2: PROPOSED DRINKING WATER FINANCIAL ASSISTANCE PROJECT**

- 2.1 Project Title/Name: Water Source Development and Connection Project
- 2.2 Type of loan required during this funding cycle? ☒ Design \$40,000.00 and/or ☒ Construction \$850,000.00
- 2.3 Briefly summarize below the problem *(Mail or upload any supporting documentation)*

Pine Water Co. suffers from decreased community water supplies during peak demand periods. This project proposes to acquire and/or develop new water sources and connect them to the existing water system infrastructure.

- 2.4 Briefly summarize below the Solution

Develop and/or acquire existing deep aquifer wells in the area and connect them to the existing water system infrastructure.

- 2.5 Project Purpose: *(Select only one)*

Assist Non-Compliant Systems to Achieve Compliance

Assist Compliant Systems to Meet Future Reqmnts

Assist Compliant Systems to Maintain Compliance

Other Assistance Not Compliance Related

## SECTION 3: EXISTING CONDITIONS AND PROJECT BENEFITS

## 3.1 Select Type(s) of Needs to be Funded

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Planning and Design Only | <input type="checkbox"/> Treatment-Bacteriological                | <input type="checkbox"/> Treatment-Surface Water |
| <input type="checkbox"/> Treatment-Nitrate                   | <input type="checkbox"/> Treatment-Arsenic                        | <input type="checkbox"/> Treatment-Radionuclides |
| <input type="checkbox"/> Treatment-Organic Chemical(s)       | <input type="checkbox"/> Treatment-Primary Standard [Metals(s)]   | <input type="checkbox"/> Treatment-DBP           |
| <input type="checkbox"/> Treatment-Other                     | <input checked="" type="checkbox"/> Transmission and Distribution | <input checked="" type="checkbox"/> Source       |
| <input checked="" type="checkbox"/> Storage                  | <input type="checkbox"/> Purchase of System(s)                    | <input type="checkbox"/> Restructuring           |
| <input checked="" type="checkbox"/> Land Acquisition         |   |  |

## 3.2 Select Expected Project Benefit(s)

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Compliance - Existing Requirements | <input type="checkbox"/> Compliance - New Requirements | <input checked="" type="checkbox"/> Expand Service |
| <input type="checkbox"/> Reduce Public Health Risks         |  |  |

## 3.3 Water Quality Improvement

- ☐ Proposed project addresses deficiencies identified by ADEQ    ☐ Submitted a complete capacity development plan to ADEQ
- ☐ Proposed project includes installing meters to monitor water use

## 3.4 Consolidation and Regionalization

- |  |   |
|--|---|
| <input type="checkbox"/> Consolidate physical facilities of existing multiple facilities | <input type="checkbox"/> Extending service to existing areas currently served by another facility |
| <input type="checkbox"/> Consolidate the operations of existing multiple facilities      | <input type="checkbox"/> Consolidate the ownership of existing multiple facilities                |

## 3.5 System Compliance \*must mail or upload supporting documents

- ☐ Notice of violations and/or consent orders from regulatory agency \*
- ☒ In compliance

## SECTION 4: READINESS TO PROCEED INDICATORS

## 4.1 Debt Authorization (For more information, see WIFA Debt Authorization Guidance Document)

- ☐ Authorized (mail or upload copy of official governing body debt authorization resolution or election results)
- ☒ Date of Election or Authorization Unknown
- ☐ Scheduled
- If scheduled, enter anticipated election or authorization date: \_\_\_\_\_ [mm/dd/yyyy]

## 4.2 Project Design (Select only one)

- ☐ Completed    ☐ Engineer Selected    ☒ Date of Completion Unknown    ☐ Scheduled for Completion
- Enter anticipated completion date: 12/31/2009 [mm/dd/yyyy]

## 4.3 Applicable Plan and Specification Approvals (Select only one)

- ☐ Obtained (mail or upload approval notification)
- ☒ Date of Approval Unknown
- ☐ Not Applicable (use textbox below to explain)
- ☐ Scheduled to Obtain Permits
- If scheduled, enter anticipated permit(s) date: \_\_\_\_\_ [mm/dd/yyyy]
- If not applicable, then explain: \_\_\_\_\_

## 4.4 Project Bids (Select only one)

- ☐ Solicited Project for Bidding    ☒ Date of Solicit Unknown    ☐ Scheduled to Solicit Bid(s)
- If scheduled, enter anticipated bid award date: \_\_\_\_\_ [mm/dd/yyyy]

## SECTION 5: REQUESTED AMOUNT AND CERTIFICATION/APPROVAL

5.1 Estimated Date WIFA Funding Required: 8/1/2009 [mm/dd/yyyy]

5.2 Estimated Financial Assistance Costs &amp; Funding Source (Soft costs)

## Funding Source

Amount Funded Locally:

Amount Requested from WIFA:

Other Source: \_\_\_\_\_

## Project Costs

\$50,000.00\$840,000.00\$0.00

## Total Cost:

\$890,000.00

5.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.

First Name

Robert

Last Name

Hardcastle

Title

President

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

President

## Addendum to PPL Application American Recovery and Reinvestment Act (ARRA)

Community Name: Pine Water Co., Inc.  
Project Contact: Robert Hardcastle      Phone Number: (661) 633-7526      Date: 2/26/2009  
Project Title: Water Source Development and Connection Project  
Project ID: DW-071-2009      Email: RTH@jaco.com

**Should this Application be considered for American Recovery and Reinvestment Act funds? ☒ Yes ☐ No . If Yes, complete the following questions below. If you have selected 'No', skip to the bottom of this addendum and select submit.**

As stated in the cover letter, the purpose of the Act is to provide funds that will stimulate job creation through swift initiation of infrastructure projects. The citation below requires WIFA to provide preference to those purposes.

### SECTION 1: PREFERENCE FOR QUICK START

ARRA Sec. 1602. In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit.

- 1.1 As of February 17, 2009, when will your project be prepared to start construction?  
☐ Already Staterd ☐ Within 60 days ☒ Within 120 days ☐ Within 180 days ☐ Within 365 days

To enter into a loan agreement, organizations must have debt authorization. If you are not sure what this requires for your organization, refer to WIFA's documents "WIFA Debt Authorization Guidance Document" and "Sample Debt Authorization Resolution."

- 1.2 Do you currently have debt authorization? ☐ Yes ☒ No . If no, when will do you plan on receiving debt authorization? Prior to: ☐ March, 3 2009 ☐ March 17, 2009 ☐ April 14, 2009 ☒ May 19, 2009 ☐ June 16, 2009 ☐ Other
- 1.3 After the start of construction, when will construction be completed and/or the final loan disbursement be requested from WIFA?  
☐ Within 6 months ☒ Within 1 year ☐ Within 2 years ☐ Within 3 years

### SECTION 2: USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS

ARRA Sec. 1605. Use of American Iron, Steel, and Manufactured Goods. (a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. (b) Subsection (a) shall not apply in any case or category of cases in which the head of the Federal department or agency involved finds that--

- applying subsection (a) would be inconsistent with the public interest;
- iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.
- If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (a) based on a finding under subsection (b), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.
- This section shall be applied in a manner consistent with United States obligations under international agreements.

- 2.1 Are you willing to include this "Use of American Iron, Steel, and Manufactured Goods" requirement in your plans and specification documents and provide supporting documentation that you have complied with this requirement? ☒ Yes ☐ No  
If No, please provide a brief explanation below:

- 2.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No If No, would you be willing to re-bid? ☒ Yes ☐ No If you had to go back out and re-bid, please adjust you answer in Section 1, if necessary.

### SECTION 3: WAGE RATE REQUIREMENT

Sec. 1606. Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and



mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

3.1 Are you willing to include this "Wage Rate Requirement" in your plans and specification documents and provide supporting documentation that you have complied with this requirement? ☒ Yes ☐ No  
If No, please provide a brief explanation below:

3.2 If you have already solicited bids, was this requirement included? ☐ Yes ☒ No If No, would you be willing to re-bid? ☒ Yes ☐ No  
If No, please provide a brief explanation below:

#### SECTION 4: POTENTIAL PROJECT DELAYS

4.1 To your knowledge, are there any issues such as NEPA compliance, SHPO compliance, Permit requirements, etc, that could possibly delay your project? ☒ Yes ☐ No  
If yes, please explain briefly below:  
County Building Permit process; acquisition of water sources and/or property acquisition.

#### SECTION 5: REPORTING REQUIREMENTS

5.1 Each Calendar quarter during construction, you will be required to provide a report outlining at a minimum the following information:

- Completion status of the project
- Estimated number of jobs created each quarter
- Estimated number of jobs retained since the last quarter

Will you be capable of providing this type of reporting? ☒ Yes ☐ No

5.2 Please estimate the total number of jobs 0 that will be created or retained if this project receives ARRA funding and provide a brief explanation below:  
This project would be constructed through contract services and would require no additional people to be employed to operate or manage the finished improvements.

#### SECTION 6: GREEN, EFFICIENT, INNOVATIVE PROJECTS

6.1 Does your project address any of the following: green infrastructure, water or energy efficiency improvements or other environmentally innovative activities? ☒ Yes ☐ No

##### 6.2 Sustainability Infrastructure Practices

###### A. Water Re-Use & Conservation - Project/System

The use of improved technologies and practices to deliver equal or better services with less water.

- ☐ project will generate or utilize reclaimed water for direct re-use
- ☒ project will correct water loss issues
- ☐ project will enhance water conservation program(s)

###### B. Energy Use & Conservation (Efficiency)

Includes capital projects that reduce the energy consumption of eligible water quality projects or produce clean energy used by a treatment works

- ☒ project will significantly improve system efficiency
- ☐ project will employ significant alternative energy sources and/or co-generation efforts
- ☐ project will include an Energy Audit

###### C. Green Practices (Green Infrastructure)

Green Infrastructure includes a wide array of practices at multiple scales that manage wet weather to maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater.

Percentage of Project

0

15

0

50

0

0

☐ project will address stormwater through green infrastructure practices

D. Environmentally Innovative Projects

Projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal at the least life-cycle costs, subject to environmental review results. Includes approaches to incorporate green infrastructure into drinking water, stormwater and wastewater utility infrastructure and management.

☐ project utilizes solid waste reduction alternatives

☐ project meets EPA "Green Building" practices

☐ other:

6.3 As the Authorized Representative, I certify that the information contained in this application is, to the best of my knowledge, true, accurate, and correct.

First Name

Robert

Last Name

Hardcastle

Title

President

Authorized Signature: 

Date: 2/26/09

This Application Addendum must be printed, signed and returned to WIFA within 5 days of electronic submittal

## Bob Hardcastle

**From:** eApps@azwifa.gov  
**Sent:** Thursday, February 26, 2009 10:08 AM  
**To:** jbernreuter@azwifa.gov  
**Cc:** Bob Hardcastle; tcorcutt@azwifa.gov  
**Subject:** eApps.azwifa.gov - Environmental Review Checklist

### Environmental Review Checklist

Community Name:

Pine Water Co., Inc.

Project Contact: Robert Hardcastle

Phone Number: (661) 633-7526

Date: 2/26/2009

Project Title: Water Source Development and Connection Project

Project ID: DW-071-2009

Please fill out the following checklist to the best of your ability. The information below will aid in determining the necessary environmental review requirements for the proposed project.

1. ☒ Yes ☐ No ☐ NA The project is directed towards rehabilitation of existing facilities, functional replacement of equipment, or the construction of new ancillary facilities adjacent or appurtenant to existing facilities which do not affect the degree of treatment or capacity of the existing facility.
2. ☐ Yes ☒ No ☐ NA The project is for minor upgrading or minor expansion (*minor - less than 30%*) of existing treatment works, collection or distribution system.
3. ☐ Yes ☐ No ☒ NA The project is in an unsewered community where on-site technologies are proposed. (*Clean Water Projects only*)
4. ☐ Yes ☐ No ☒ NA The project will create a new, or relocate an existing, discharge to surface or ground waters.
5. ☐ Yes ☐ No ☒ NA The project will result in substantial increases in the volume of discharge or the loading of pollutants from an existing source or from new facilities to receiving waters.
6. ☒ Yes ☐ No ☐ NA The project is known or expected to have a significant effect on the quality of the human environment, either individually, cumulatively over time, or in conjunction with other federal, state, local or private actions.
7. ☐ Yes ☒ No ☐ NA The project is known or expected to directly or indirectly affect cultural resources, habitat of endangered or threatened species, environmentally important natural resource areas such as floodplains, wetlands, important farmlands and aquifer recharge zones: or other resource areas.
8. ☐ Yes ☒ No ☐ NA The project is known or expected to cause significant public controversy.

9. ☐ Yes ☒ No ☐ NA The project is known or expected not to be cost effective.

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**Pine Water Co., Inc.**

# **Exhibit 4**

**Proforma Balance Sheet**

Pine Water Co., Inc.

**2009 Pro-Forma Financial Statements**

12-Mar-09

	<u>31-Jan-09</u>	<u>31-Dec-08</u>
Assets:		
Water Utility Plant		
Utility Plant in Service	\$2,164,346	\$2,164,346
WIFA utility assets	\$2,690,000	\$0
Less: accumulated depreciation	<u>-\$1,541,659</u>	<u>-\$1,537,255</u>
Water Utility Plant, net	<u>\$3,312,687</u>	<u>\$627,091</u>
Other Utility Assets		
Current Assets		
Receivables	\$50,000	\$50,000
Prepaid and Other	<u>\$17,818</u>	<u>\$21,237</u>
	<u>\$67,818</u>	<u>\$71,237</u>
TOTAL ASSETS	<u>\$3,380,505</u>	<u>\$698,328</u>
Liabilities and Equity:		
Equity		
Common stock	\$321,823	\$321,823
Additional paid-in capital	\$584,935	\$584,935
Retained Earnings (deficit)	<u>-\$1,001,838</u>	<u>-\$1,037,637</u>
Current Year, net income	<u>\$14,937</u>	<u>\$35,798</u>
Total Equity	<u>-\$80,143</u>	<u>-\$95,081</u>
Current Liabilities		
Affiliate Payables	<u>\$811,939</u>	<u>\$831,357</u>
Total Current Liabilities	<u>\$811,939</u>	<u>\$831,357</u>
Deferred Credits		
Deferred State Income Tax	<u>-\$369,000</u>	<u>-\$369,000</u>
CIAC	\$970,380	\$971,696
A/A CIAC	<u>-\$642,671</u>	<u>-\$640,644</u>
Total Deferred Credits	<u>-\$41,291</u>	<u>-\$37,948</u>
Long Term Debt		
WIFA	\$2,690,000	\$0
TOTAL LIABILITIES & EQUITY	<u>\$3,380,505</u>	<u>\$698,328</u>